

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2015-393-C**

IN RE:

Application of Altaworx, LLC for a
Certificate of Public Convenience and
Necessity for Authority to Provide Basic
Resold Local Exchange. Exchange
Access and Interexchange
Telecommunications Services in the
State of South Carolina, and for
Alternative and Flexible Regulation

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DIRECT TESTIMONY OF RICKIE RICHEY

I. Introduction

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rickie Richey. My business address is 22765 U.S. 98, Suite A, Fairhope,
AL, 36532.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the Chief Executive Officer and President of Altaworx LLC.

**Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND
EXPERIENCE IN BUSINESS AND TELECOMMUNICATIONS.**

A. Please refer to Exhibit D of our Application.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to describe the nature of Altaworx' proposed service
3 offering within the State of South Carolina, and to demonstrate its financial, managerial,
4 and technical ability to provide the telecommunications services for which authority is
5 sought herein.

6
7 **Q. DO YOU WISH TO INCORPORATE BY REFERENCE ANY DOCUMENTS**
8 **INTO YOUR TESTIMONY?**

9 A. Yes. I wish to incorporate by reference the underlying Application filed in this
10 proceeding and its associated attachments.

11 II. The Business of Altaworx LLC

12 **Q. HAS ALTAWORX LLC REGISTERED TO DO BUSINESS IN SOUTH**
13 **CAROLINA?**

14 A. Yes. Altaworx LLC is an Alabama Limited Liability Company that has received
15 authorization to transact business within the State of South Carolina. A copy of Altaworx
16 LLC's Alabama-issued Certificate of Good Standing and our Certificate of Authority
17 from the State of South Carolina is attached to the Company's Application as Exhibit A.

18
19 **Q. PLEASE DESCRIBE THE SERVICES ALTAWORX LLC INTENDS TO**
20 **PROVIDE WITHIN THE STATE OF SOUTH CAROLINA.**

21 A. Altaworx seeks to offer business subscribers with iPBX phone systems using VoIP
22 technology using multiple interfaces that include Cable Modem, DSL, Ethernet, MPLS,

1 and others. Private Internet connections will also be made available. Applicant's
2 traditional voice services such as local dial tone, access to 911, e-911, directory
3 assistance, and operator services will be available only by way of VoIP delivery.
4 Altaworx does not propose to offer any residential services. The handoff at the
5 customer's premises can be SIP, digital, or analog enabling the customer to retain their
6 existing investments and a cost effective migration from TDM to SIP for a hosted PBX
7 solution.

8
9 **Q. WHAT CARRIER WILL ALTAWORX LLC UTILIZE AS ITS UNDERLYING**
10 **CARRIER FOR SERVICES IN SOUTH CAROLINA?**

11 A. Altaworx LLC intends to utilize both AT&T and Verizon. Altaworx will choose its
12 underlying carrier based upon the quality of service of the carrier properly certified by the
13 Commission to provide such service.

14
15 **Q. DOES ALTAWORX LLC HAVE AUTHORIZATION TO PROVIDE**
16 **INTRASTATE TELECOMMUNICATIONS SERVICE IN ANY OTHER STATE?**

17 A. Yes, Altaworx is currently authorized to do business in the following states: California,
18 Connecticut, Illinois, Kentucky, Michigan, Missouri, North Dakota, and Nebraska. In
19 addition, Altaworx offers or provides services in the following states that do not have a
20 formal authorization process for VOIP providers: Alabama, Arkansas, Colorado, Florida,
21 Louisiana, Mississippi, New York, North Carolina, Oregon, Tennessee and Texas.

1 **Q. HAS ALTAWORX LLC EVER HAD AN APPLICATION FOR A CERTIFICATE**
2 **OF PUBLIC CONVENIENCE AND NECESSITY DENIED?**

3 A. No.

4
5 **Q. DOES ALTAWORX LLC INTEND TO FILE A TARIFF WITH THE**
6 **COMMISSION?**

7 A. Yes. Altaworx filed a tariff along with its Application in this proceeding which it will
8 modify as necessary in order to meet the Commission's requirements. We believe that
9 Altaworx LLC's tariff complies with all Orders, Rules, and Regulations of the
10 Commission. Altaworx LLC's proposed tariff is attached to our application as Exhibit E.

11
12 **Q. WILL ALTAWORX LLC COMPLY WITH THE COMMISSION'S ORDERS**
13 **REGARDING THE PROVISION OF LOCAL SERVICE?**

14 A. Yes, Altaworx will at all times provide and market local exchange carrier services in
15 accordance with current Commission policies. In addition, Altaworx will at all times
16 provide interstate services in compliance with all FCC rules and regulations.

17
18 **Q. HAS ALTAWORX LLC PROVIDED ANY INTRASTATE**
19 **TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF SOUTH**
20 **CAROLINA?**

21 A. No.

1 **Q. WHAT RATES WILL ALTAWORX LLC CHARGE UPON RECEIPT OF**
2 **CERTIFICATION?**

3 A. Altaworx LLC will charge the tariffed rates approved by the Commission.
4

5 **Q. HOW WILL ALTAWORX LLC MARKET SERVICES IN SOUTH CAROLINA?**

6 A. Altaworx LLC intends to market its services via direct sales by Altaworx employees.

7 III. Managerial, Technical, and Financial Qualifications

8 **Q. DOES ALTAWORX LLC HAVE SUFFICIENT MANAGERIAL, TECHNICAL**
9 **AND FINANCIAL RESOURCES AND ABILITY TO PROVIDE THE**
10 **TELECOMMUNICATIONS SERVICES PROPOSED IN ITS APPLICATION?**

11 A. Yes, Altaworx has sufficient managerial, technical, and financial resources and ability to
12 provide the telecommunications services for which authority is sought herein. Altaworx
13 LLC's personnel represent a broad spectrum of business and technical disciplines,
14 possessing many years of individual and aggregate telecommunications experience.
15 The qualifications and experience of Altaworx LLC's key management personnel are
16 discussed in Exhibit D, which is attached to our application in support of our managerial
17 and technical ability to provide the services for which authority is sought, herein.
18

19 **Q. HOW DOES ALTAWORX LLC HANDLE CUSTOMER SERVICE REQUESTS?**

20 A. Altaworx's customer service representatives are available to assist its customers and will
21 promptly respond to all customer inquiries. Customers may call 1-844-387-7383 and/or
22 email us at support@altaworx.com.

1 **Q. PLEASE DESCRIBE THE FINANCIAL CONDITION OF ALTAWORX LLC.**

2 A. In support of Altaworx's financial ability to provide services sought herein, Altaworx
3 LLC has filed certain financial statements as Exhibit C of our application. In addition,
4 Altaworx has provided additional financial statement information to the ORS.

5 IV. Regulatory Treatment and Other Matters

6 **Q. DOES ALTAWORX HAVE OFFICES IN SOUTH CAROLINA?**

7 A. No. Altaworx does not intend to have offices in South Carolina at this time. Accordingly,
8 Altaworx requests, pursuant to Rule 103-610, that the Commission allow it to keep all
9 applicable books and records at its offices in . In the event that the Commission or ORS
10 should desire to inspect such books and records, Altaworx will provide access
11 expeditiously at its own expense.

12
13 **Q. BY WHAT METHOD WILL ALTAWORX KEEP ITS FINANCIAL RECORDS?**

14 A. Altaworx uses Generally Accepted Accounting Principles ("GAAP"). To the extent that
15 the Commission's Rules require the use of the Uniform System of Accounts ("USOA"),
16 Altaworx requests a waiver in order that GAAP be allowed.

17
18 **Q. WHAT REGULATORY TREATMENT IS ALTAWORX SEEKING FOR ITS**
19 **LOCAL EXCHANGE SERVICES?**

20 A. Altaworx requests that the Commission allow it to employ a flexible local exchange rate
21 structure first authorized by Order No. 98-165 in Docket No. 97-467-C. Specifically,
22 Altaworx requests that the Commission: a) adopt for its local exchange services a

1 competitive rate structure incorporating maximum rate levels with the flexibility for rate
2 adjustment below the maximum rate levels; and b) presume that Altaworx's tariff filings
3 for local exchange services be valid upon filing, subject to the Commission's authority,
4 within thirty (30) days, to institute an investigation of such filings. At the discretion of
5 the Commission, such filings may be suspended pending further order of the Commission
6 and any such filings may be subject to the same monitoring process as the Commission
7 applies to other, similarly situated carriers.

8
9 **Q. WHAT REGULATORY TREATMENT IS ALTAWORX SEEKING FOR ITS**
10 **INTEREXCHANGE SERVICES?**

11 A. Altaworx requests that its business service offerings be regulated pursuant to the
12 procedures described and set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-
13 661-C, as modified by Order No. 2001-997 in Docket No. 2000-407-C. Specifically,
14 Altaworx requests that the Commission regulate its business services in the same manner
15 as the Commission regulates those of AT&T Communications of the Southern States,
16 Inc. ("AT&T"). Further, Altaworx requests that the Commission: a) remove the
17 maximum rate tariff requirements for Altaworx's business services and future private
18 line, and customer network-type offerings; b) presume that Altaworx's tariff filings for
19 these services be valid upon filing. However, if the Commission institutes an
20 investigation of a particular filing within seven (7) days, the tariff filing will be
21 suspended until further order of the Commission; and c) grant Altaworx the same
22 treatment as AT&T in connection with any future relaxation of the Commission's
23 reporting requirements.

1 IV. Public Interest

2 **Q. HOW WILL RESIDENTS OF SOUTH CAROLINA BENEFIT FROM**
3 **ALTAWORX'S SERVICES AND PRESENCE IN SOUTH CAROLINA?**

4 A. The Commission's grant of this certificate is in the public interest because the business
5 subscribers of Altaworx will receive increased choice, improved quality of service, and
6 heightened opportunities to obtain improved technology in business. Market incentives
7 for new and old telecommunications providers in South Carolina will be improved
8 greatly through an increase in the diversity of suppliers and competition in the local
9 exchange telecommunications market. Consistent with the Commission's intent to aid in
10 the development of a competitive telecommunications environment in South Carolina,
11 the granting of a certificate of authority to Altaworx LLC to provide local exchange
12 service will offer increased efficiency to the State's telecommunications infrastructure
13 through greater reliability of services and in increase in competitive choices.

14
15 **Q. HAS THE COMPANY EVER BEEN THE SUBJECT OF AN INVESTIGATION**
16 **BY ANY STATE REGULATORY BODY OR BY THE FCC?**

17 A. No.

18
19 **Q. WILL THE COMPANY AGREE TO ABIDE BY AND COMPLY WITH THE**
20 **COMMISSION'S RULES AND REGULATIONS AND COMMISSION ORDERS**
21 **IN ITS OPERATIONS IN SOUTH CAROLINA?**

22 A. Yes.

1 **Q. WILL THE COMPANY FILE ALL APPLICABLE REPORTS AS REQUIRED BY**
2 **THE COMMISSION?**

3 A. Yes. Altaworx is aware of the Commission's requirements that all telecommunications
4 carriers file a report on South Carolina operations, a gross receipts report, and a universal
5 service contribution report on an annual basis.

6

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A. Yes. I would like to thank the Commission for this opportunity to provide information
9 relevant to Altaworx's application and am ready to provide any additional information
10 that the Commission may need in making its decision.